



**U.S. Immigration
and Customs
Enforcement**

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News Release

**WAL-MART STORES, INC. AGREES TO PAY A RECORD \$11 MILLION TO ICE
TO SETTLE NATIONWIDE WORKSITE ENFORCEMENT INVESTIGATION**

-- 12 Other Companies Agree to Enter Criminal Guilty Pleas and Forfeit \$4 Million to the U.S. --

WASHINGTON, D.C. – Michael J. Garcia, Department of Homeland Security Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE), and Thomas A. Marino, United States Attorney for the Middle District of Pennsylvania, today announced that the United States has reached a landmark \$11 million global civil settlement with Wal-Mart Stores, Inc., arising out an investigation into the alleged hiring of illegal aliens by independent contractors that provided cleaning services to Wal-Mart stores throughout the United States from 1998 through 2003.

In a related development, these officials also announced that 12 corporations that provided contract janitorial services to Wal-Mart stores throughout the United States between 1998 and 2002, and were alleged to have actually employed illegal aliens, have agreed to forfeit an additional \$4 million to the United States and have agreed to enter corporate guilty pleas to criminal immigration charges.

According to Assistant Secretary Garcia and U.S. Attorney Marino, the \$11 million civil settlement and the \$4 million criminal forfeiture announced today constitute the two most significant enforcement actions taken by the United States in the field of immigration employment sanctions since the laws prohibiting employment of illegal aliens were first enacted in 1986. The \$11 million civil settlement alone is approximately four times larger than any other single payment received by the government in an illegal alien employment case.

“This case breaks new ground not only because this is a record dollar amount for a civil immigration settlement, but because this settlement requires Wal-Mart to create an internal program to ensure future compliance with immigration laws by Wal-Mart contractors and by Wal-Mart itself. ICE is committed to not only bringing charges against companies that violate our nation's immigration laws, but also working with them to ensure that they have programs in place to prevent future violations,” said Assistant Secretary Garcia.

The civil settlement and the corporate pleas announced today arise out of a nationwide investigation into alleged employment of illegal aliens by cleaning companies that provided contract services to Wal-Mart. This investigation was conducted by ICE, the U.S. Attorney’s Office for the Middle District of Pennsylvania, with the assistance of the Pennsylvania Attorney General’s Office, and the Honesdale Police Department.

The investigation evolved out of two prior immigration operations that began in 1998 and 2001, respectively. These operations targeted cleaning contractors that were hiring unauthorized workers from Eastern Europe. The probes resulted in a series of enforcement actions in 2001 at Wal-Mart stores in Pennsylvania, New York, Ohio, and Missouri, in which roughly 100 illegal aliens were arrested. Several guilty pleas were achieved in connection with these parent cases, and a follow-up investigation was initiated.

The follow-up investigation culminated on October 23, 2003 with a series of immigration enforcement actions at some 60 Wal-Mart stores in 21 states. In these actions, ICE agents arrested approximately 245 illegal aliens employed by cleaning contractors and put these individuals into deportation proceedings. ICE agents detained illegal aliens at Wal-Mart stores located in Alabama, Arkansas, Arizona, Connecticut, Delaware, Kentucky, Massachusetts, Maryland, Michigan, North Carolina, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Immediately following these enforcement actions, officials at Wal-Mart contacted federal authorities and pledged cooperation in the investigation into the employment practices of its cleaning contractors. Wal-Mart also renewed its commitment to ensure full compliance with federal immigration laws. The corporate commitment by Wal-Mart led to the discussions that resulted in the civil settlement announced today.

As part of this civil resolution, a civil complaint, a stipulation in compromise, and a consent decree have been filed by the United States in federal court in Harrisburg, Pennsylvania. These pleadings state that, following the October 2003 enforcement action, Wal-Mart notified the United States of its intention to take corrective actions to ensure that independent contractors working for Wal-Mart comply with all aspects of federal laws governing the employment of aliens.

Following a thorough investigation, the United States concluded that federal criminal proceedings involving Wal-Mart, its directors, officers, or employees would not be appropriate, according to the pleadings filed in federal court. According to these pleadings, the United States and Wal-Mart then jointly agreed to the entry of an order providing for wide-ranging injunctive relief designed to ensure a partnership aimed at effective enforcement of these immigration laws.

Under the terms of this civil settlement, Wal-Mart has agreed to the entry of a consent decree that:

- Directs Wal-Mart to make a payment of \$11 million through the United States Attorney's Office to the Treasury Forfeiture Fund for the purpose of promoting future law enforcement programs and activities in this field by U.S. Immigration and Customs Enforcement (ICE).
- Permanently enjoins Wal-Mart from knowingly hiring, recruiting, and continuing to employ aliens who are not legally authorized to work within the United States;
- Directs Wal-Mart to establish, over the next 18 months as part of its compliance programs, a means to verify that independent contractors used by Wal-Mart are also taking reasonable steps to comply with immigration laws in their employment practices and cooperate truthfully with any investigation of these matters;
- Directs Wal-Mart to provide, over the next 18 months, all of its store managers and future store managers with training regarding their legal obligations to prevent the knowing hiring, recruitment,

and continued employment of unauthorized aliens while complying with pertinent anti-discrimination laws;

- Directs Wal-Mart to maintain its own established, on-going and pre-existing program of taking reasonable steps to ensure that associates employed by Wal-Mart are authorized to work within the United States, while continuing to ensure Wal-Mart's compliance with pertinent anti-discrimination laws;
- Directs Wal-Mart to continue to cooperate with the United States in its investigation of the alleged illegal employment practices by independent cleaning contractors previously used by Wal-Mart;

The civil settlement does not entail any admission of wrongdoing by any party.

In addition to this civil settlement, federal officials announced today that the following 12 cleaning contractor corporations have also been charged in federal court in Pennsylvania for their involvement in the illegal employment of undocumented aliens in Pennsylvania and elsewhere between 1998 and 2002:

- IMC Associates, Inc., headquarters located in Ferguson, Illinois
- Cleanmax Associates, Inc., headquarters located in St. Louis, Missouri
- Comet Floor Care Associates, Inc., headquarters located in Belleville, Illinois
- Ironman Maintenance Associates, Inc., headquarters located in Indianapolis, Indiana
- Precision Cleaning, Inc., headquarters located in Charlotte, North Carolina
- Champion Floor Care Associates, Inc., headquarters located in Chicago, Illinois
- National Cleaning Management, Inc., headquarters located in Creve Coeur, Missouri
- Mercury Floor Care Associate, Inc., headquarters located in Edwardsville, Illinois
- Allied Floor Care Service, Inc., headquarters located in Atlanta, Georgia
- World Clean Associates, Inc., headquarters located in St. Louis, Missouri
- Florida Floor Care, Inc., headquarters located in Bokealia, Florida
- Express Corporate Services, Inc., headquarters located in Ferguson, Missouri

Federal officials noted that a plea agreement has been filed along with these criminal charges. Under the terms of the plea agreement, these companies have also agreed to truthfully cooperate with investigators and have consented to the forfeiture of an additional \$4 million to the United States.

Assistant Secretary Garcia and U.S. Attorney Marino praised ICE, the United States Attorney's Office for the Middle District of Pennsylvania, the Office of Attorney General for the Commonwealth of Pennsylvania, and the Honesdale Police Department for their tireless efforts in this investigation.

Federal officials also acknowledged the complete cooperation of Wal-Mart Corporation in this matter following the October 2003 immigration enforcement actions, and the cooperation of the cleaning contractors in this probe. Assistant Secretary Garcia and U.S. Attorney Marino commended Wal-Mart Corporation for its commitment through this settlement to a strong partnership with ICE -- a partnership designed to ensure continued compliance with these important immigration laws.

#ICE#

U.S. Immigration and Customs Enforcement (ICE) was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.